

**They must have been brave politicians who said to an ageing population, that we are going to phase out old age benefits and replace them with an incentive based scheme which is based on self help. i.e. Superannuation! Thank goodness they did!!!**

We suggest unless Govt. departments have misled us, that with the increasing effects of Climate Change, droughts along with other erratic climate conditions are going to be more the norm and as certain as we are growing old. It now must be another brave politician who says again, it is time to phase out inefficient parts of drought policy and replace them with an incentive based scheme also based on self help, and in the Prime Ministers own phrase "And you know what "it is so simple . Forget the catch up football, lets have a plan before we run onto the paddock .

**PLAN ---- We will make Farm Management Deposits (F.M.D.) more attractive so in good times you will put money into them to help yourself in bad times.**

**HOW** ---We will give you 120% tax writeoff in the year of deposit, and you will be taxed at 100% in the year they are drawn upon. This alone will give you incentive to use the scheme. This was done in the 70's to promote water infrastructure and was very successful. We will do this because we realize all farmers are affected by droughts. So all farmers can be helped by this incentive before it happens, and not be selective with qualifying criteria to help some, after it happens.

**IN RETURN** ----- We will phase out Interest Subsidy as an inefficient means of help and a major disincentive for farmers to help themselves as -

- (1) It promotes "worst practice" farming i.e. To overgraze and overspend in the good times, knowing the criteria for subsidy will be met in the drought.
- (2) It is selective because of its qualifying criteria, only some droughted farmers are helped.
- (3) It is a major disincentive for "succession planning" where a major part is investing "off farm" for the future, as you will no longer meet the current criteria for interest rate subsidy help.

Blind Freddie (as long as he survived the drought) should see we must move on. We must move on , from the old " after the event "Govt. help to "before the event" self preparation with Govt. incentive.

FROM SOME FARMERS WHO HAVE SEEN MANY DROUGHTS AND WILL SEE MANY MORE.

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